

Message Text

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PAGE 01 BONN 07459 291718Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SS-15 SP-02 INR-07 NSC-05
DODE-00 CIAE-00 /050 W
-----301139Z 056161 /23S

R 291705Z APR 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7846
INFO USMISSION USBERLIN
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY BRUSSELS

C O N F I D E N T I A L BONN 07459

BRUSSELS FOR FAA

E.O. 11652: GDS
TAGS: EAIR, WB, GW, FR, UK, US
SUBJECT: CIVAIR: IGS FARE INCREASE PROPOSAL

REF: BONN 6654

1. PAN AMERICAN OFFICIALS RICHARD CARLSON AND ALFRED BLANCATO FROM NEW YORK ACCOMPANIED BY MANAGING DIRECTOR FOR CENTRAL EUROPE ANTHONY BERNACHIA ON APRIL 28 MADE FORMAL PRESENTATION TO CIVIL AIR ATTACHE (CAA) OF FARE INCREASE PROPOSAL FOR INTERNAL GERMAN SERVICE (IGS) SERVICES. REQUEST IS FOR OVER-ALL 7.8 PERCENT INCREASE TO THE CARRIER AND, BECAUSE OF THE SUBSIDY, 8.9 PERCENT TO THE PASSENGER. A BRITISH AIRWAYS TEAM IS DUE IN BONN APRIL 29 TO MAKE SIMILAR PRESENTATION TO BRITISH CAA.

2. CAA REMINDED PAN AM REPS THAT HE WOULD AWAIT DEPARTMENT VIEWS ON INCREASE BEFORE SEEKING ADVISE OF BERLIN CIVIL AVIATION ADVISORY GROUP (BCATAG) AND
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CONFIDENTIAL

PAGE 02 BONN 07459 291718Z

APPROVAL OF ALLIED CAA'S, AND THAT DEPARTMENT WOULD BE ASKED TO SEEK INFORMAL EVALUATION BY THE CAB STAFF. CARLSON SAID HE WAS CONFIDENT THE PROPOSAL WAS WITHIN CAB CRITERIA FOR FARE INCREASES.

3. ALLIED CAA'S APRIL 27 INFORMED FOREIGN OFFICE OFFICIAL HELD THAT L976 PERFORMANCE FIGURES WOULD

SHORTLY BE TURNED OVER TO THE FRG. WE SAID THAT A FARE INCREASE PROPOSAL TO THE CAA'S WAS IMMINENT AND, PROVIDED IT WAS FOUND ACCEPTABLE BY THE ALLIED GOVERNMENTS, WOULD BE OFFERED IN DUE COURSE FOR DISCUSSION IN BCATAG.

4. ON SUBJECT OF PERFORMANCE STATISTICS, CARLSON SAID PAN AM WAS WILLING TO PRESENT THEM ON AN ANNUAL BASIS AND DID NOT CARE WHETHER THEY WERE HANDED TO THE FRG AS RECEIVED FROM PAN AM OR COMBINED WITH BRITISH AIRWAYS FIGURES.

5. WE HAVE INDICATIONS THAT FRG FOREIGN OFFICE AND MINISTRY OF TRANSPORTATION OFFICIALS ANTICIPATED A FARE INCREASE REQUEST AND ARE RESIGNED TO IT, ESPECIALLY SINCE LUFTHANSA HAS JUST BEEN GRANTED AN EIGHT PERCENT INCREASE.

6. COMMENT: WE ANTICIPATE NO GREATER JOY IN BONN OR BERLIN AT THE PROSPECT OF HIGHER FARES THAN WAS EVIDENT WITH PAST INCREASES. IF CAB EXPERTS AND DEPARTMENT AGREE THAT COST INCREASES JUSTIFY A FARE INCREASE, WE ARE PREPARED TO APPROVE IT AND DEFEND IT BEFORE BCATAG, TAKING CARE TO GIVE THE GERMAN SIDE NO LEGITIMATE CAUSE FOR COMPLAINT ABOUT UNDUE TIME PRESSURE OR INSUFFICIENT DISCUSSION.

ACTION REQUESTED: WE WOULD APPRECIATE USBER'S VIEWS ON LIKELY MAGNITUDE OF ADVERSE REACTION IN BERLIN TO A NEW FARE INCREASE. DEPARTMENT'S VIEWS AS WELL AS CONFIRMATION THAT EXPERT OPINION OF CAB WILL BE CONFIDENTIAL

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PAGE 03 BONN 07459 291718Z

SOUGHT WOULD ALSO BE APPRECIATED.
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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
Errors: N/A
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TAGS: EAIR, WB, GE, FR, UK, US, IGS, (CARLSON, RICHARD), (BLANCATO, ALFRED)
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